
STATUTORY INSTRUMENTS

2005 No. 1724

The Value Added Tax (Disclosure of Avoidance Schemes) (Designations) (Amendment) Order 2005

Designation of provision included in or associated with avoidance schemes

4. In Schedule 2 after paragraph 7 insert—

“Issue of face-value vouchers

8.—(1) The issue of face-value vouchers for consideration.

(2) Paragraph 1 does not apply where—

- (a) the issuer expects, on reasonable grounds, that at least 75% of the face-value of the vouchers will be redeemed within three years of the date on which the vouchers were issued; and
- (b) the vouchers were issued to relevant persons.

(3) A relevant person is

- (a) any person who is not connected with the issuer; or
- (b) any body corporate—

- (i) which is a member of the same VAT group as the issuer for the purposes of section 43 of the Act; and
- (ii) which does not intend to supply the vouchers, directly or indirectly, to any person connected with the issuer outside that VAT group.

(4) “Face-value vouchers” means tokens, stamps or vouchers of a description falling within paragraph 1(1) of Schedule 10A(1) to the Act (face-value vouchers) and “face-value” has the meaning given by paragraph 1(2) of that Schedule.”